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ONTARIO ASSOCIATION OF MOTOR COACH OPERATORS

BRIEF SUBMITTED TO

THE ROYAL COMMISSION TO INQUIRE
INTO HIGHWAY TRANSPORTATION
IN THE
PROVINCE OF ONTARIO

EXHIBIT VIII

A CODE OF HIGHWAY TAXATION DRAWN
UP BY THE MOTOR CONFERENCE COMMITTEE
OF THE UNITED STATES (1930)

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EXHIBIT VIII

A CODE OF HIGHWAY TAXATION

Recommended By

THE MOTOR CONFERENCE COMMITTEE OF THE UNITED STATES (1930)

1. The state should be the sole special taxing agency - Federal, County and Municipal Governments should be excluded from the field.

2. The motor vehicle tax should be simple in form and distributed in equitable and just proportion between the different types of motor vehicles.

3. No highway should be improved by expenditure of public funds in excess of its earning capacity. The return to the public in the form of economic transportation is the sole measure of the justification for the degree of improvement.

4. All money raised by such special taxes should be placed in the State Motor Vehicle Highway Fund and to secure the best results should be expended under the supervision of the State Highway Department.

5. The cost of building and maintaining adequate systems of highways should be distributed in an equitable relation to the benefits derived. These may be summarized as follows:

(a) Benefits to society in general, such as influence on education, recreation, health, fire prevention, police protection, the national defense, the postal service, living and distribution costs.

(b) Benefits to definite groups, such as agriculture, manufacture, labor, railroads, mining, forestry and waterways.

(c) Benefits to property served.

(d) Benefits to the road user.

6. For the purpose of apportioning costs in relation to benefits received, all highways may be divided into two classes; first, those used by the general motoring public, and second, those which perform a purely local service function.

7. Special motor vehicle taxes should be levied and used only for the improvement and maintenance of highways used by the general public, i.e., for general highway traffic flow lines.

8. The wide variance in valuations, tax burdens, number of motor vehicles in use and the status of highway development in the several states prevent the adoption of any fixed formula as to the proportion of the total costs of highways of general use which should be paid for from motor vehicle funds. Generally speaking, however, these principles may be set forth:

(a) In states where the income from motor vehicles is sufficient to meet all of the maintenance costs of highways of general motor use without undue burden

to the individual motorist, such funds should be applied first to the maintenance of inter-state and state highway systems.

(b) In states where the income from motor vehicles is sufficient to meet all maintenance costs of highways of general motor use without undue burden to the individual motorist, any surplus should be used for this class of highway reconstruction and administration costs.

(c) In states where the number of motor vehicles will bring in large sums in excess of maintenance without placing undue burdens upon the individual motorist, such surplus should be used to defray all the costs of maintenance and substantial share of all of the other costs of highways of general motor use.

(d) In those states where the motor vehicle income is more than sufficient to meet maintenance costs of highways of general motor use without undue burden to the individual motorist, it may be found advisable to use such surplus for the purpose of defraying all or part of the costs of bond issues to expedite construction of economically desirable motor highways.

9. Roads of a purely local interest, serving only local needs, should be financed out of local revenues obtained from local general taxes. Special assessments on adjoining land to defray a portion of the costs of such roads may be justified.

10. Where extraordinary improvements are undertaken in the vicinity of or serving congested areas of population the increment, if any, in property valuation following the improvement should be drawn upon to defray an equitable portion of the cost.

11. Irrespective of the particular form of special tax of the motor vehicle, whether registration fees or motor fuel taxes, the aggregate amount of these taxes in any one year should not be so great as to impose an undue burden on the individual motorist.